

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 56th LEGISLATURE - REGULAR SESSION

JOINT APPROP SUBCOMMITTEE ON NATURAL RESOURCES AND COMMERCE

Call to Order: By **CHAIRMAN JOHN WITT**, on January 7, 1999 at 8:03 A.M., in Room 201 Capitol.

ROLL CALL

Members Present:

Rep. John Witt, Chairman (R)
Sen. William Crismore (R)
Rep. Dick Haines (R)
Sen. Tom Keating, Vice Chairman (R)
Sen. Linda Nelson (D)
Rep. Joe Tropila (D)

Members Excused: None.

Members Absent: None.

Staff Present: Summer Alger, Committee Secretary
Greg DeWitt, Legislative Branch
Roger Lloyd, Legislative Branch
Shirley Moore, OBPP
Doug Schmitz, OBPP
Bob Tallerico, Legislative Branch

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing: HB 2 - Supplementals (DNRC wildfires)
Executive Action: HB 2 - Supplementals (DNRC wildfires)
Orientation Discussion

HEARING ON HB 2 - DNRC WILDFIRES SUPPLEMENTAL

{Tape : 1; Side : B; Approx. Time Counter : 2.2 - 58.7}

Roger Lloyd began with page **C-119** of the LEGISLATIVE BUDGET ANALYSIS 2001 BIENNIUM: Agency Budgets, Vol. 1, January 1999, LFD for a discussion of funding for wildfire costs.

**The Legislative Budget Analysis (LBA) 2001 budget book will not be referred to as an exhibit, however, budget information from other sources will be noted as exhibits.*

DNRC Presentation:

Bud Clinch, Director, DNRC, began the presentation and discussion of wildfires and the budget needed to cover expenses of the 2001 biennium. The DNRC has direct fire protection responsibility of 5.1 million acres. There was also discussion of the County Coop Fire Program, in which the DNRC provides each county with training and equipment.

Don Artley, Administrator of Forestry Division, DNRC, discussed the biennial supplemental request (\$10,545,963) while working off a handout labeled, "DNRC Fire Supplemental Request FY98/99."

EXHIBIT (jnh04a01)

Appropriation Transfer

Discussion:{Tape : 1; Side : A; Approx. Time Counter : 15.3 - 17.3}

Deals with the fire costs incurred over FY98.

State Direct Costs FY99 and US Forest Service Bill

Discussion:{Tape : 1; Side : A; Approx. Time Counter : 17.3 - 23.8}

State direct costs are bills already paid. USFS acts as National accountant and USFS bills reflect all costs of outside interests that have gone to help DNRC.

Questions from Committee Members and Responses:

Chairman Witt questioned the US FOREST SERVICE bill of \$4.8 million, wanting a break down. **Bud Clinch** replied that it includes the costs incurred by the DNRC since calendar year 1998 for resources outside of their own agency (ordered through the national system).

Rep. Tropila asked if there is any duplication of equipment and **Director Clinch** replied yes, though, there is also cooperative sharing to have all resources available.

Additional State Costs

Discussion:{Tape : 1; Side : A; Approx. Time Counter : 23.8 - 25.7}

Bills that are expected to come in later. Still expecting BLM bill - holding as anticipated costs - based on county agreements and master agreements with federal agency - fits into the \$325,000.

Questions from Committee Members and Responses:

Sen. Nelson asks about Indian Alliance crews: how they are trained and funded. **Mr. Artley** replied that the BIA does the training and bills the agency responsible for the fire. Those bills would fall into the \$4.8 million.

DNRC Budgeted Costs

Discussion:{Tape : 1; Side : A; Approx. Time Counter : 29.2 - 36}

Tim Murphy commented on initial attack, then **Don Artley** discussed budgeted costs, which include employed seasonal firefighters for initial attack, some funding for permanent staff, they charge all the time to fires so it can be reimbursed. The \$226,510 is the budgeted fire time spent on suppression they are taking out of supplemental. **Mr. Artley** answered **Rep. Haines'** question as to how the estimate was put together, by stating that it was based on historical needs.

Spring 1999 Fire Estimate

Discussion:{Tape : 1; Side : A; Approx. Time Counter : 31.6 - 32.9}

These are the potential fire costs of May and June of this year that need to be covered. If this is more than they need, the balance will revert back to general fund.

Questions from Committee Members and Responses:

Rep. Haines questioned how that estimate was put together. **Mr. Artley** replied that it is just an estimated based on historical information.

Sen. Keating asked of the Spring 1999 Fire Estimate, if the budget season goes to June 30th. **Mr. Artley** replied yes. So, if there were no fires or any expenditures of that \$500,000 it would

revert July 1st of 1999? Again, **Mr. Artley** replied yes, that is correct.

Costs to Assist Other Agencies FY99 & Reimbursable Costs

Discussion:{Tape : 1; Side : A; Approx. Time Counter : 33 - 41.5}

The DNRC make their fire equipment and permanent personnel available to the national system if they are not in trouble at home. The borrowing agencies reimburse the DNRC 100% of their costs, all of regular time, overtime, travel expenses, meals, lodging, and they are willing to pay a rate for equipment which helps cover repair, maintenance, and depreciation. However, in the case of salaries the DNRC has to pay some of the money up front. So, they incur \$1.4 million of expenditures assisting other agencies either in-state or out-of-state, though this is 100% reimbursable. The total supplemental of \$10.5 million minus the reimbursable costs, which are almost \$3 million, leave an estimated net cost of \$7.5 million for FY98/99. **Director Clinch** then explained why the DNRC does not know actual charges and costs of equipment, etc.. Finally, discussion ensued about reducing the original supplemental request of \$11.7 million to \$10.5 million.

Questions from Committee Members and Responses:

Rep. Tropila questioned and **Mr. Artley** answered that the DNRC is about 48% successful in collecting bill money from negligent parties.

Sen. Crismore questioned the costs to private owners for suppression. **Director Clinch** answered that the private owners' funds pay for 1/3 of the costs of base of fire program. These funds are from taxes that show up on individuals tax. DNRC covers all suppression costs.

Chairman Witt asked about the Let-Burn policy and who pays when a fire moves onto private land. **Mr. Artley** replied that the DNRC has aggressive suppression activities and it is the USFS and BLM that have a Let-Burn policy. In that case, cost-share agreements are invalidated - other agencies are requested to pay in full.

EXECUTIVE ACTION ON HB 2 - DNRC WILDFIRES SUPPLEMENTAL

{Tape : 1; Side : A; Approx. Time Counter : 58.7}

Motion/Vote: Rep. Tropila moved that the reduced supplemental costs of \$10.5 million from \$11.7 million be adopted. Seconded by Sen. Crismore. Motion carried unanimously.

Chairman Witt commenced a discussion on conservation easements, then **Sen. Crismore** asked about interim overhead teams.

Alternative Funding Methods

{Tape : 1; Side : B; Approx. Time Counter : 3.9 - 34.7}

Roger Lloyd began to discuss alternative funding methods for the fire suppression program: 1) Could the Legislature fund the wildfire program without the Governor having to declare an emergency, or 2) create a fund restricted only to wildfire costs. **Sen. Crismore** then questioned the thoughts of the DNRC on the alternatives, and **Doug Schmitz** discussed the views of the budget department. The current statutory appropriation to the Governor for emergency fires also has other legislation currently in the mill to access that \$10 million by the Department of Emergency Services and Military Affairs for other purposes than just fires. So, it may not all be available for fire suppression costs as it currently is. There was more discussion of alternative funding, then the committee delved into a discussion on emergency services.

Break @ 9:36am **{Tape : 1; Side : B; Approx. Time Counter : 34.7}**

ORIENTATION PACKET:

Roger Lloyd continued with the previous day's discussion of the Orientation - 1999 Session packet **EXHIBIT (jnh04a02)**. He began with an explanation of LFD Issues, on through Appropriation Power, Fund Type, and finished with Language.

LFD Issues

Discussion: {Tape : 1; Side : B; Approx. Time Counter : 35.1 - 37.5}

Appropriation Power

Discussion: {Tape : 1; Side : B; Approx. Time Counter : 37.5 - 49.8}

Fund Type

Discussion: {Tape : 1; Side : B; Approx. Time Counter : 49.8 - 52.4}

Language

Discussion: {Tape : 1; Side : B; Approx. Time Counter : 52.4 - 54.5}

Sen. Nelson then questioned **Mr. Lloyd** on the process of amendments, and **Chairman Witt** asked if the committee could ever get proof of funds actually needed, then proceeded into the agenda for the next meeting.

ADJOURNMENT

Adjournment: 10:37 A.M.

REP. JOHN WITT, Chairman

SUMMER ALGER, Secretary

JW/SA

EXHIBIT (jnh04aad)